Focused on the Future

ANNUAL REPORT 1999

MELCOR DEVELOPMENTS LTD.

Melcor Developments Ltd. is primarily engaged in the following activities:

- the acquisition, planning, development and marketing of urban communities and the subsequent sale of single family, multiple family and commercial / industrial lots in Alberta in the metropolitan areas of Calgary, Edmonton, Lethbridge and Red Deer and in Arizona;
- the ownership, development and management of commercial properties in Western Canada and a manufactured home community in Calgary; and
- the ownership and management of two championship golf courses in the Edmonton area including a course acquired in 1997 which is 60% owned.

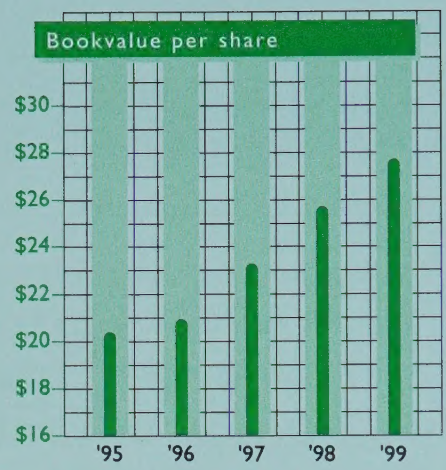
Notice of Annual Meeting

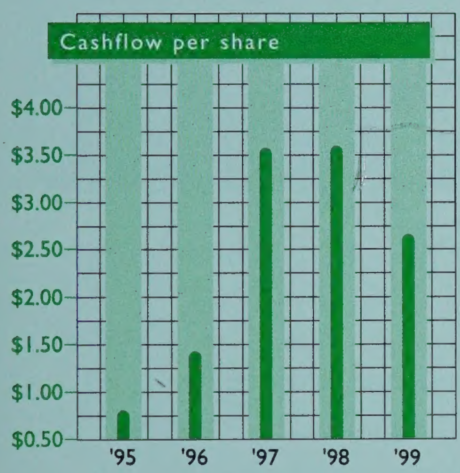
The annual meeting of Shareholders will be held at Mayfair Golf and Country Club located at 9450 Groat Road in Edmonton, Alberta, Canada on Thursday, the 18th day of May, 2000, at 11:00 a.m. MDT.

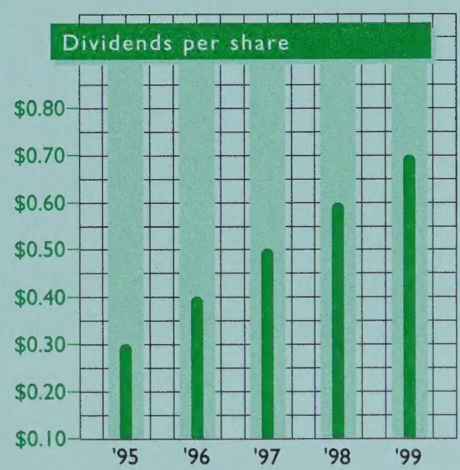
Contents

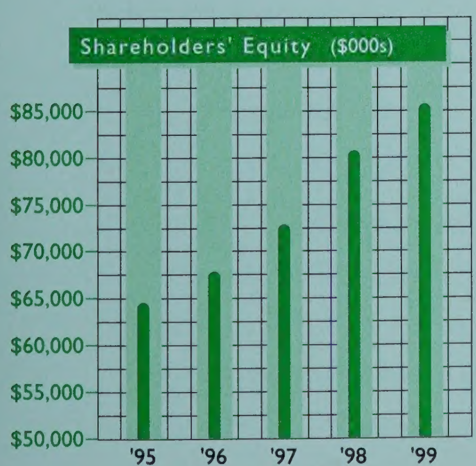
Financial Highlights

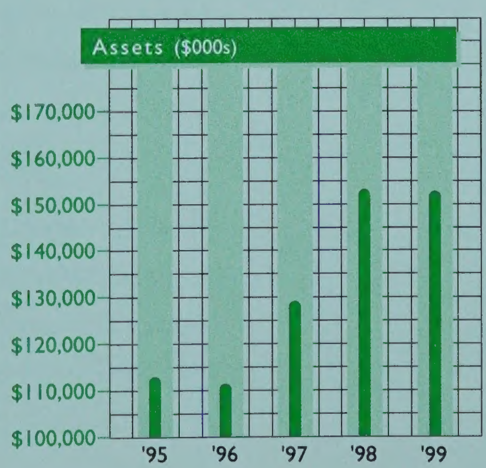
($)	1999	1998
Revenue	46,563,000	57,661,000
Earnings	7,767,000	9,659,000
Cash flow from operations before working capital changes	8,042,000	11,249,000
Assets	153,350,000	153,590,000
Shareholders' equity	85,577,000	80,963,000
Per Share		
Basic earnings	2.50	3.05
Cash flow from operations before working capital changes	2.58	3.55
Book value per share	27.57	25.83
Dividends paid	0.70	0.60

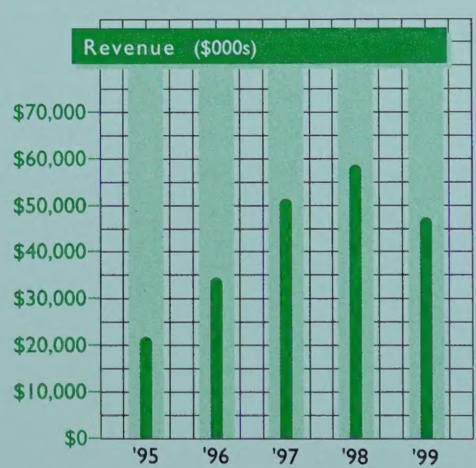










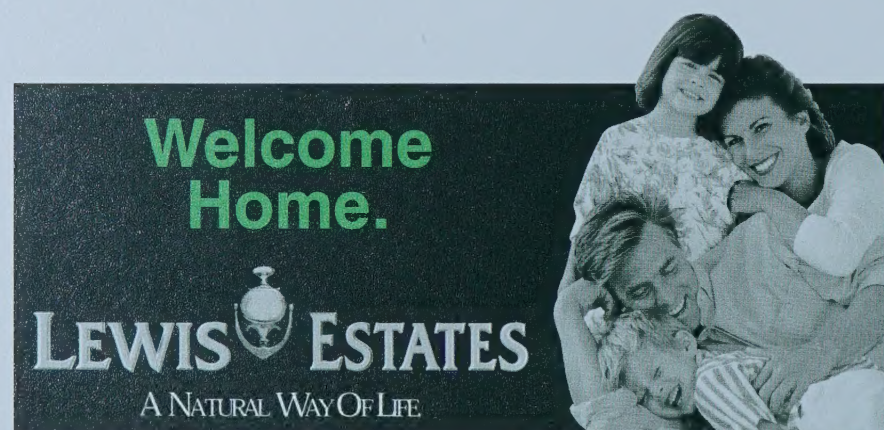


Focused on the Future

Seventy-seven years ago when Louis Timothy Melton first opened the office of Stanley Investment Company in a small house where Edmonton Centre now stands, the new Millennium would have been as far from his thoughts as using the internet to buy and sell stocks.

Yet, his focus on the future, as well as those who have subsequently directed Melcor Developments Ltd. (and predecessor Companies) to the present day have steadfastly provided the balance between financial stability and managed growth.

Today, Melcor Developments Ltd. continues to be focused on the future as it develops new communities, acquires strategic assets, streamlines financing arrangements and updates its management information systems.



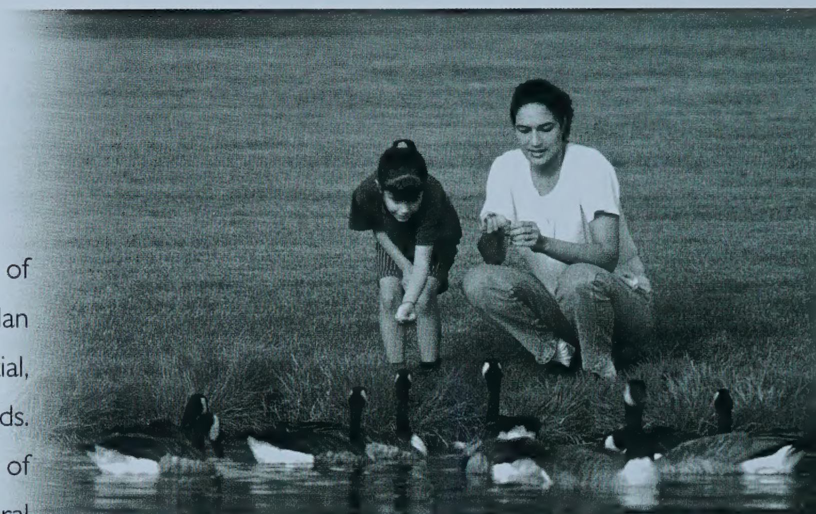
The community of Lewis Estates is featured on the back inside cover of this annual report. In 1997, Melcor acquired a 60% interest in this project, which includes 470 acres of land for development and an 18-hole championship golf course designed and built as an amenity for existing and future residents. The photograph captures the neighborhoods of Breckenridge in the lower half of the picture and Potter Greens in the upper half together with a portion of the Lewis Estates Golf Course.

Above the Potter Greens community is Anthony Henday Drive which connects the Whitemud Freeway with Highway 16A and Yellowhead Trail. West Edmonton Mall is located between Anthony Henday Drive and the downtown Edmonton skyline.

Terwillegar GARDENS

Terwillegar Gardens, an estate community in Edmonton's prestigious Riverbend area, continues to be the location of choice for southwest residents. This neighbourhood is located at the highest point in southwest Edmonton providing a panoramic view of the city. The center of the project features a large man made valley. The estate homes will overlook this valley and it's landscaped slopes. In the center of the valley will be a lake and a large park area consisting of playing fields, tennis courts, ice rinks and a school site. Throughout the community will be water features, small local parks, pathways and a prominent entrance feature and garden arbour. Working closely with a dedicated team of engineers, architects and planners, Melcor has carefully designed every natural element within this exciting new neighbourhood.

WESTMERE
CHESTERMERE LAKE
Beautiful by Nature



Westmere, located in the town of Chestermere, is a 440 acre masterplan community comprising of residential, multifamily, commercial and retail lands. This community, on the west bank of Chestermere Lake, combines a natural wetlands area with a neighbourhood of homes built for today's families. The environmental design of Westmere's wetlands and natural parks provides a safe habitat for a variety of native birds while providing year round natural beauty for the residents of Westmere. Additional amenities include miles of pathways that wind through the community along with playfields, tot lots and manicured parks.

HM/Reflex
Real Estate Manager

With the rapid advancement of information technologies and with our requirements to replace an accounting system that had become unsupportable, Melcor Developments Ltd. participated in the design of a real estate accounting package called "HM / Reflex – Real Estate Manager".

This is a completely open system that is built using the latest and most widely utilized and accepted software development tools and platforms i.e. Windows NT, Microsoft SQL Server and Back Office.

It is designed for both local and wide area communications using the latest Internet and Virtual Private Network (VPN) technologies.

HM/Reflex – Real Estate Manager

Some of the features include;

- Entire business processes are conveniently completed from one screen using logically grouped processing tabs thus making the product user friendly;
- Dynamic exception reminder messaging facility allows for tags to be attached throughout the system for follow-up;
- Full compliance to all reporting templates allowing the user to personalize and customize reports;
- Use of comprehensive management analytical tools including dynamic graphing, "drill down" analysis and "what if" modeling i.e. OLAP; and
- Income and cash flow forecasting for up to 5 years into the future.

While some of these tool sets are new to the Company, we expect to master the higher end skills that are required to fully utilize the strength of this system.

Report to Shareholders

On behalf of the Board of Directors, we are pleased to report that the final year of the Millennium was very good for the Company. Net earnings for the year ended December 31, 1999 were $7,767,000 or $2.50 per share compared with $9,659,000 or $3.05 per share in 1998. Cash flow from operations before working capital changes was $2.58 per share compared to $3.55 per share in the prior year.

It was anticipated that demand for housing and serviced lots would moderate in 1999 after two years of buoyant markets. Company results for the year exceeded expectations and were considered an accomplishment considering the adverse effect that low commodity prices had on real estate markets over the first two quarters. The Alberta Advantage of low taxes and good government also stimulated growth and economic diversification thereby offsetting the slowdown caused by the resource sector.

The Community Development Division is active in the creation, development and marketing of mixed use communities in the Edmonton, Calgary, Red Deer and Lethbridge regions. The division marketed 813 single family residential lots and 33 acres of commercial and multiple family lots during the year generating over $54,000,000 of revenue for the Company and its joint venture participants. While revenue declined about 20 per cent from 1998, it exceeded our business plan forecast.

During the year the division also acquired additional development lands in Leduc, Edmonton, Red Deer, Calgary and Airdrie. New lands in Red Deer and Airdrie were acquired with joint venture partners and Melcor's interest is 37.5% and 60% respectively. The Company's current land bank of 4,500 acres provides a solid foundation for future operations and earnings.

Capilano Centre - 98,000 sq. ft. office building acquired in 1999

The Investment Property Division recorded a decline in earnings from its portfolio of properties. The drop in earnings is due primarily to increased costs relating to upgrading of properties and a slight decrease in occupancy rates. Over the next couple of years the Division plans certain building upgrades that are needed to ensure a quality product and gain a competitive edge. With continuing economic growth, the outlook for improved occupancy and lease rates is very promising.

In the last quarter of 1999 the Company purchased a seven storey 58,000 sq.ft. office building adjacent to its Westcor Building and acquired 50% interest in a 98,000 sq.ft. office building located in south east Edmonton. These properties, acquired at prices well below replacement costs, will yield good returns and have the potential for appreciation as the office markets strengthen.

Other assets including the Watergrove Manufactured Home Community in Calgary and the two golf course operations in Edmonton performed satisfactorily. The Company's combined share of revenue and earnings from these assets were $3,324,000 and $564,000 respectively.

One of the most significant events for the Company over the past two decades has been the strengthening of its balance sheet and changes in the way the Company finances its operation and growth. The bank term loan that exceeded fifty million dollars in 1988 was paid out in full this past year. Favorable banking arrangements have recently been negotiated with its major lender because of the Company's solid financial record and current strong balance sheet. This new credit facility will provide ample funds to finance ongoing development expenditures plus provide additional capacity to fund acquisitions for growth.

During the year, the Company purchased 29,700 common shares pursuant to the Normal Course Issuer Bid Circular which expires on September 14, 2000. This brings the total number of common shares purchased under the Normal Course Issuer Bid Circular to 143,800 since September 15, 1997.

During the year, the Board of Directors approved dividend payments to shareholders totaling $.70 per share compared with $.60 per share in 1998. It has been an objective of the Company to ensure that shareholders get a reasonable return on their investment commensurate with financial results and cash reserves. The dividend payment has steadily increased over the past ten years and shareholders have received dividends in all but three of the last thirty years.

Princeton Place - 58,000 sq. ft. office building acquired in 1999

The Board of Directors has taken a further important step in the succession of the senior management team, a process that commenced in 1997 with Ralph Young assuming the title of President while Tim Melton retained the positions of Chairman and Chief Executive Officer. Effective May 18, 2000, the date of our annual meeting, Ralph Young will assume the position of Chief Executive Officer along with the title of President. Ralph has been with the Company for 29 years and brings considerable experience and a recognized ability to his new role and responsibility for the overall leadership of the Company. Tim Melton, who has been with the Company since 1969, will remain active as Executive Chairman and perform the duties normally associated with the role of Chairman of the Board. He will also be responsible for assisting the management team in long range planning activities, take a leading role in the development of the acquisition and growth strategies for the Company and assist in the leadership of the Investment Property and Golf Course Divisions. These changes in leadership roles will continue the strong association developed over many successful years by Mr. Melton and Mr. Young, as part of the natural evolution in the leadership for the continued strength and growth of the Company.

The outlook as we enter the 21st century is positive for our country and particularly for Alberta. Our province has lead the country in the necessary restructuring needed to get its fiscal house in order, reduce deficits and pay down debt. The benefits of this process are now being realized as the government has flexibility to reduce taxes and prudently increase spending both of which stimulate the economy. In addition to these factors, the current higher energy prices will result in increased provincial revenue and an incentive for further investment in the province. Shareholders and indeed all Albertans, have been fortunate to have had political leadership that has produced the best standard of living and quality of life in Canada.

The future for your Company is bright because of its strategic assets and the proven track record of its outstanding personnel. The Board of Directors express their gratitude and appreciation to our employees who continue to make an excellent contribution to the Company's growth and success. Also we would like to convey our gratitude to our many customers and suppliers for the valued business we have enjoyed and to our shareholders for their confidence and support.

T.C. Melton

R.B. Young

March 16, 2000

Management's Discussion and Analysis

CORPORATE OVERVIEW

Melcor Developments Ltd., which traces its history back to 1923, has been a public company since 1968. Its diversified operations which are carried out through the Company, wholly owned subsidiaries and joint ventures, include:

- the acquisition, planning, development and marketing of urban communities and the subsequent sale of single family, multiple family and commercial/ industrial lots in Alberta, in the metropolitan areas of Calgary, Edmonton, Lethbridge and Red Deer and in Arizona which are developed by the Company from raw land which it acquires and holds for future development;
- the ownership, development and management of commercial property in Western Canada including a manufactured home community in Calgary; and
- the ownership and management of two championship golf courses in the Edmonton area (one at 100% ownership and one at 60% ownership).

REVIEW OF OPERATING RESULTS

Net earnings for the year were $7,767,000 compared to prior year earnings of $9,659,000. Earnings per share at December 31, 1999 were $2.50, an 18% decrease over 1998 earnings per share of $3.05. Fourth quarter earnings of $1.36 per share were the fourth highest fourth quarter earnings for the Company in the past 20 years.

The decrease in revenue and net earnings was the result of a decrease in land sales. Single family housing starts in Alberta decreased by 17% (1998 - increase of 10.5%) in the same period.

COMMUNITY DEVELOPMENT

The Community Development Division is responsible for the acquisition, planning, development and marketing of urban communities. Although the division predominantly develops mixed-use residential communities, it also develops large-scale commercial and industrial centers in the Edmonton and Calgary regions. Residential lots and parcels are marketed through selected homebuilder's that purchase sites through agreements payable that are usually due within one year of sale.

Sales Activity

Total sales for the division were $41,582,000 in 1999 versus $50,279,000 in the prior year. During the year, nineteen subdivisions were developed in fifteen communities. The number of residential lots sold in 1999 decreased by 20% over 1998 sales. All regions, except Lethbridge and Arizona, saw a decrease in the number of lots sold (as set out in the following table).

Residential lot sale history (including joint ventures at 100%)

	1999	1998	1997	1996	1995
Edmonton	260	384	306	186	114
Red Deer	162	209	160	58	54
Calgary	310	379	373	308	172
Lethbridge	74	44	27	41	14
Arizona	7	1	40	4	7
	813	1,017	906	597	361

Residential lot inventory (including joint ventures at 100%)

	1999	1998
At beginning of the year	829	548
New developments	851	1,298
Sales	(813)	(1,017)
At end of the year	867	829

Multi-family and commercial sales
(including prorata joint venture interests)

	Multi-family and Commercial Acres	Sales ($)	Sale of Non-Strategic Lands (Acres)
1999	33	7,341,000	29
1998	26	8,845,000	–
1997	17	7,142,000	33
1996	4	3,490,000	134
1995	5	642,000	1

Land inventory (in acres)

	1999	1998
At beginning of the year	4,254	4,061
Purchases	489	448
Sales	(29)	–
Developed	(198)	(255)
At end of the year	4,516	4,254

Land Acquisitions

The acquisition of land for future development is based upon our anticipation of market demand and development potential primarily within five years. Land purchases during the year were:

- 134 Acres in Leduc;
- 136 Acres in Edmonton;
- 164* Acres in Airdrie; and
- 55** Acres in Red Deer.

* represents the Company's portion of a 60% interest in a joint venture

** represents the Company's portion of a 37.5% interest in a joint venture

Risk Factors

Residential lot sales are influenced by the demand for new housing which is impacted by interest rates, growth in employment, immigration, new family units and the size of these units. Our ability to bring new communities to the market is impacted by municipal regulatory requirements and environmental considerations which effect the planning, subdivision and use of land. The lengthy planning and approval process can take up to eighteen months. During this period, the market conditions in general and / or the market for lots in the size and price range in our developments, may change dramatically.

We attempt to mitigate these risks by:

- developing in the vicinity of major population and employment centres in Alberta where we have developed land for decades;
- marketing lots in various sizes and price ranges in all regions in which we carry on development programs;
- monitoring market conditions by maintaining close contacts with our customers, industry associations and forecasting agencies;
- managing and participating in joint ventures;
- contracting professional consultants as required rather than having them on staff; and
- financing developments through project loans from several lenders.

INVESTMENT PROPERTY

The Company owns and manages a portfolio of 11 commercial properties and a 50% interest in a 308-unit manufactured home community. See page 20 of this annual report for a detailed listing of investment property. Divisional earnings were:

$	1999	1998
Rental and other operations	331,000	465,000
Land sales	–	441,000
Total segment earnings	331,000	906,000

The decrease in earnings from rental operations are primarily due to decreased occupancy rates and higher operating expenses.

The prior year included the sale of our interest in an 8-acre commercial site in southeast Calgary and a 1.5-acre site in Regina.

Property summary

(in square feet / including joint ventures at 100%)

	1999	1998
Office and multi-use	457,001	300,145
Retail	53,065	53,065
	510,066	353,210

In November 1999, the division purchased a 58,585 sq. ft. seven story office building adjacent to our Westcor building and a 50% interest in a 98,271 sq. ft. office / multi-purpose building southeast of downtown Edmonton.

The division also acquired a one acre parcel of land in northeast Calgary from the Community Development Division. This parcel has been leased to a third party for twenty years (to 2019) plus two five year options.

	1999	1998	1997	1996	1995
Rental revenue	4,123	3,829	3,823	3,790	3,346
EBITDA (1)	1,868	2,051	2,020	1,817	1,552
Earnings from properties (2)	473	627	505	288	249
EBITDA as % of NBV (3)	10.3%	11.7%	11.4%	10.1%	8.5%

(1) EBITDA is earnings before interest, income tax, depreciation and amortization.

(2) Earnings from properties are earnings before general and administrative expenses.

(3) Note 4 to the consolidated financial statements sets out the net book value of the properties owned.

Leases maturing (in square feet)

	2000	2001	2002	2003	2004
Office & Multi-use	36,800	15,300	49,000	79,500	30,900
Retail	33,700	10,900	21,600	16,500	13,600
	70,500	26,200	70,600	96,000	44,500

GOLF COURSES

The Company manages two 18 hole golf courses including The Links at Spruce Grove (built in 1983) and Lewis Estates Golf Course (60% interest acquired in November 1997). Both golf courses had successful years considering the inclimate weather in the spring.

Note 4 to the consolidated financial statement sets out our net investment in the golf courses.

ASSETS

The net book value of the Company's assets were $153,350,000 at the end of 1999 which is comparable to $153,590,000 at the end of 1998. Note references below are to the consolidated financial statements.

- Agreements receivable (Note 2) are the balances due from the sale of developed land. The decrease in agreement receivable of $2,360,000 (1999-$30,574,000 versus 1998 - $32,934,000) is primarily a reflection of reduced land sales in the fourth quarter which was partially offset by the amount of prior year agreements receivable that were due in early 2000.
- Land is classified as land under development at the time that plan registration has been completed. In 1999, we developed nineteen new residential subdivisions with 851 lots compared with thirty new subdivisions with 1,298 lots in 1998. Single family lot inventory increased from 829 lots at December 31, 1998 to 867 lots at December 31, 1999.
- Land held for future development (Note 3) is an aggregate of raw land which, in some cases, may be several years from development and unregistered projects which include some raw land and its related predevelopment costs. Predevelopment costs include, but are not limited to, regulatory approvals, planning, engineering and infrastructure servicing. The latter can be significant in instances where utilities or roadways must be constructed over expanses of raw land in order to bring services or access to subdivisions that are being fully developed. Land held for future development increased by $1,545,000 due to land acquisitions of $4,955,000 which were offset by transfers to land under development of $2,629,000 in land and net transfers of predevelopment costs of $781,000.
- Capital assets (Note 4) includes the assets of the Investment Property Division (11 commercial properties and the manufactured home community), the assets of the Recreation Property Division (two golf courses in the Edmonton area), other capital assets of the other divisions as well as sundry assets which are comprised of various inventory, prepaid expenses and other assets. During the year, capital assets increased by $3,503,000 due primarily to the acquisition of two office buildings in Edmonton.

LIABILITIES

Liabilities decreased from $72,627,000 at the end of 1998 to $67,773,000 at the end of 1999 due to decreased development activity. The major changes in liabilities include:

- Current income taxes payable decreased by $2,434,000 primarily due to the installments being based on 1998 income taxes payable and current tax expense in 1999 is similar to current income tax expense in 1998.
- The bank term loan (Note 5) was retired during the year.
- Provision for land development costs decreased by $2,697,000 due to lower volumes of subdivision construction activity being carried forward into the next year. This lower carry forward is the result of the reduced magnitude of subdivision initiation in 1999 compared to the prior year and based on the timing of cash payments required to complete construction.
- Debt on land under development (Note 6) increased by $1,104,000 to fund construction costs of projects under development.
- Debt on land held for future development (Note 7) decreased by $209,000 based on assumed debt of $3,860,000 on land purchased during the year less repayments of $4,069,000.
- Debt on Capital assets (Note 8) in the amount of $14,528,000 reflects financing placed on capital assets (Note 4) which have a net book value of $23,973,000. Three properties including a golf course, a multi-purpose commercial building and a long-term land lease are not encumbered by a mortgage. During the year, debt on capital assets increased by $1,212,000 as a net result of new mortgage financing of $2,390,000 on two office buildings acquired in 1999 compared to principal repayments of $1,178,000 on existing mortgages.

YEAR 2000

The conversion to new accounting software was completed on August 31, 1999. Work is ongoing to create new management reports, fine tune cash flow forecasting / reporting and to streamline procedures. It is expected that by mid year, management will be satisfied with all aspects of Release 1 of the new system and will develop a plan for the enhancement features to be included in future releases.

The Company did not experience any additional costs or inconveniences as we moved into year 2000, other than the change to the management information / accounting software as explained above and the time and cost of reviewing such items as our internal telephone system, mechanical devices and machinery in the buildings that it owns, computer hardware and packaged software programs and security systems which was primarily carried out in 1998.

Although it is not possible to conclude that all aspects of the year 2000 issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been fully resolved, management is confident that any future impact to the Company due to latent year 2000 issues, will be insignificant.

RISK

The nature of the Company's business, along with 94% of our assets being located in Alberta, could make the Company subject to greater risks than companies that are more geographically diversified. However, management believes that the economic outlook for Alberta is favourable and the population will continue to increase. The Company intends to continue its conservative policies on acquisitions and developments and has an environmental program in place to minimize risk to the Company on acquisitions and developments.

LIQUIDITY AND CAPITAL RESOURCES

The Company has an ongoing requirement for capital to finance the development of its residential subdivisions. During the year $21,945,000 ($14,840,000 net of joint venture interests) in project financing was arranged from four lenders for thirteen developments compared with $33,746,000 ($24,496,000 net of joint venture interest) from four lenders for eighteen developments in 1998. Each loan is a first charge on the development and will be repaid from the proceeds of sales from the development.

At December 31, 1999, the Company had $6,460,000 (1998 - $12,200,000) in approved and undrawn project loans to cover the provision for development costs in the land division. Of this amount $5,024,000 (1998 - $4,519,000) could have been drawn at December 31, 1999. The Company also has a credit facility to provide letters of credit.

Subsequent to the year end, the Company finalized an agreement with a major chartered bank which will replace conventional project financing with a $28,500,000 credit facility. Specific agreements receivable, specific lot inventory and a general security agreement will be pledged as collateral for this credit facility. This credit facility may be terminated by the bank upon one year's notice. The facility limits can be modified to meet the Company's needs.

The Company's debt to equity ratio was 0.79:1 at December 31, 1999 compared to 0.90:1 at December 31, 1998.

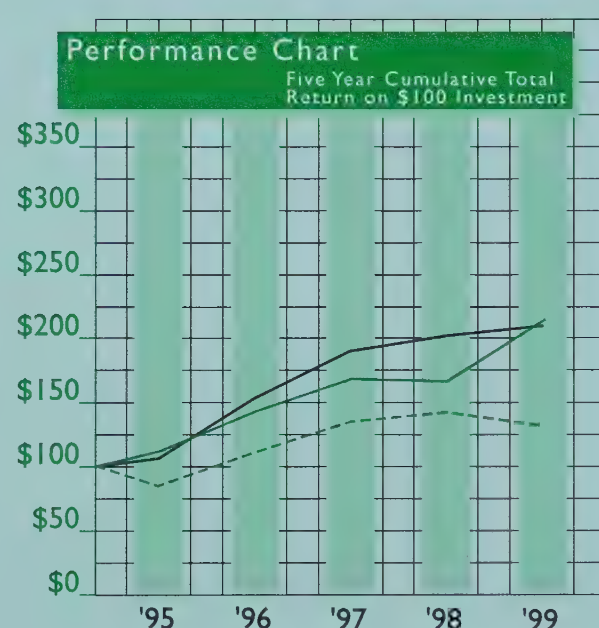
Management believes that with the projected level of operations for 2000, our minimal capital commitments and the availability of project financing, the Company will have sufficient capital to fund its operations.

OUTLOOK FOR 2000

The Company's Business Plan for 2000 is based upon the following assumptions:

- the Canadian economy will retain the current level of economic activity with economic growth in Alberta higher than the national average;
- the population of Alberta will continue to increase;
- interest rates will rise about 1% during the year; and
- the residential new housing market in Alberta will have an increase in housing in comparison to 1999, with Edmonton showing a larger percent growth than Calgary.

The following chart illustrates Melcor's five-year cumulative total shareholder return, assuming an initial investment of $100 with all dividends reinvested versus the return on the T.S.E. 300 Composite Index and the T.S.E. Real Estate Index.



Melcor Developments Ltd.

T.S.E. 300 Index

T.S.E. Real Estate Index

Consolidated Statements of Earnings and Retained Earnings

For the years ended December 31 ($000's)

	1999	**1998**
Revenue	**46,563**	57,661
Cost of sales	**(27,782)**	(34,823)
	18,781	22,838
Interest revenue	**1,658**	1,337
Interest expense (Note 11)	**(1,276)**	(1,485)
General and administrative expenses	**(5,051)**	(5,234)
Earnings before income tax expense	**14,112**	17,456
Income tax (expense) / recovery		
Current	**(6,881)**	(6,876)
Future	**536**	(921)
	(6,345)	(7,797)
Net earnings for the year	**7,767**	9,659
Retained earnings, beginning of the year	**72,794**	65,762
Dividends	**(2,175)**	(1,893)
Cost of common shares purchased in excess of stated capital	**(461)**	(734)
Retained earnings, end of the year	**77,925**	72,794
Basic earnings per common share	**2.50**	3.05

Consolidated Balance Sheets

As at December 31 ($000's)

	1999	1998
ASSETS		
Cash and cash equivalents	8,404	11,544
Accounts receivable	1,761	3,140
Agreements receivable (Note 2)	30,574	32,934
Land under development	37,443	35,287
Land held for future development (Note 3)	49,808	48,263
Capital assets (Note 4)	25,360	22,422
	153,350	153,590
LIABILITIES		
Accounts payable and accrued liabilities	7,109	6,503
Current income taxes payable	–	2,434
Bank term loan (Note 5)	–	1,900
Provision for land development costs	9,588	12,285
Debt on land under development (Note 6)	13,823	12,719
Debt on land held for future development (Note 7)	12,128	12,337
Debt on capital assets (Note 8)	14,528	13,316
Future income taxes (Note 9)	10,597	11,133
	67,773	72,627
SHAREHOLDERS EQUITY		
Share capital (Note 10)	6,712	6,777
Retained earnings	77,925	72,794
Currency translation adjustment	940	1,392
	85,577	80,963
	153,350	153,590

SIGNED ON BEHALF OF THE BOARD

PER: T.C. Melton Director

PER: R.B. Young Director

Consolidated Statements of Cash Flows

For the years ended December 31 ($000's)

	1999	1998
Cash flows from / (used in) operating activities		
Net earnings for the year	7,767	9,659
Non cash items:		
Depreciation and amortization	829	730
Gain on sale of capital assets	(18)	(61)
Future income tax (recovery) / expense	(536)	921
	8,042	11,249
Decrease / (increase) in agreements receivable	2,360	(11,084)
Development activities (Note 17)	(1,443)	2,591
Commercial property leasing costs	(190)	(348)
Change in other operating assets and liabilities (Note 17)	(180)	1,397
Currency translation adjustment	(452)	538
	8,137	4,343
Cash flows from / (used in) investing activities		
Purchase of land held for future development	(1,095)	(4,830)
Purchase of capital assets	(3,829)	(562)
	(4,924)	(5,392)
Cash flows from / (used in) financing activities		
Bank term loan repayments	(1,900)	(1,100)
Project loan advances	19,104	19,111
Project loan repayments	(18,000)	(12,671)
Proceeds from land acquisition loan	–	1,637
Repayment of loans on land held for future development	(4,069)	(2,869)
Proceeds from loan to acquire capital assets	2,390	–
Repayment of debt on capital assets	(1,178)	(862)
Dividends	(2,175)	(1,893)
Common shares purchased	(525)	(840)
	(6,353)	513
Increase / (decrease) in cash and cash equivalents during the year	(3,140)	(536)
Cash and cash equivalents, beginning of the year	11,544	12,080
Cash and cash equivalents, end of the year	8,404	11,544

Notes
to Consolidated Financial Statements

1. Accounting Policies

The consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. The precise determination of many assets and liabilities is dependent upon future events. Accordingly, the preparation of financial statements for a reporting period necessarily involves the use of estimates and approximations which have been made using careful judgement. Significant areas requiring the use of management estimates relate to the determination of provision for land development and potential impairment of assets. Actual results could differ from those estimates. The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

(a) Basis of consolidation

These consolidated financial statements include:

(i) The accounts of Melcor Developments Ltd. and its wholly-owned subsidiary companies (the "Company"):
Melcor Developments Arizona, Inc.
Stanley Investments Inc.

(ii) Investments in eight joint ventures which are accounted for using the proportionate consolidation method.

(b) Recognition of revenue

Revenue is recognized as follows:

(i) Sale of land - when a minimum of 15% of the sale price has been received and the sale is unconditional.

(ii) Rental of commercial properties - after the property is initially constructed or acquired and has reached a 75% level of occupancy, subject to a reasonable period dependent upon the size of the project. Prior to achieving this level, rental revenue and operating costs are capitalized as part of the cost of the project.

(c) Capitalization of costs

The Company capitalizes all direct costs relating to land held for future development and land under development projects. In addition, carrying costs such as interest on debt specifically related to the project, property taxes and interest on general debt considered applicable to the investment in the project are capitalized. Where the net realizable values of specific properties held for development do not exceed their capitalized carrying value, any additional interest and carrying costs relating to the properties are charged to current operations and are not capitalized. Administrative overhead expenses are not capitalized.

(d) Cash and cash equivalents

Cash and cash equivalents are comprised primarily of cash and short-term securities. These items are carried at cost or amortized cost as appropriate.

(e) Land under development

(i) Land under development is recorded at the lower of cost and net realizable value.

(ii) The total estimated carrying, servicing and development costs (net of recoveries) are recorded as a liability at the time that plan registration has been completed. The unexpended portion of these costs is shown as "Provision for land development costs" on the balance sheet. Whenever the estimate is known to be materially different from the actual costs incurred, an adjustment is made to the liability with a corresponding adjustment to cost of sales and land under development.

(iii) The total costs of a project are allocated to individual lots sold on the basis of anticipated selling price.

(f) Land held for future development

Land held for future development includes the undeveloped land cost, the capitalized carrying costs related to holding the land and those development costs that have been incurred prior to the land being transferred to land under development. Land held for future development is recorded at the lower of cost and net realizable value. The cost of land and carrying costs are transferred to land under development on a prorated acreage basis to each phase of a project at the time that plan registration has been completed.

(g) Capital assets

Capital assets are depreciated using the declining balance method of depreciation, over their estimated useful life, at rates from 4% to 30%. Buildings are depreciated using the sinking fund method based upon an estimated useful life of 20 to 45 years and are recorded at the lower of cost less accumulated depreciation and net recoverable amount.

(h) Income taxes

The Company follows the asset and liability method of accounting for income taxes, where future tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

(i) Foreign currency translation

The Company's foreign operation is of a self-sustaining nature. Assets and liabilities of the foreign operation are translated at the exchange rates in effect at the balance sheet date and revenues and expenses are translated at average exchange rates for the year. Gains or losses on translation are shown as a separate component of shareholders' equity.

2. Agreements Receivable

Agreements receivable are due within one year except for $7,250,000 (1998 - $15,501,000) which is due in 2001. Subsequent to the interest adjustment date, which provides an interest relief period of four months to registered builders, these receivables earn interest at prime plus one percent (7.50% at December 31, 1999) and are secured by the specific real estate sold. Agreements receivable relate primarily to land sales in Alberta which are subject to the related economic conditions of that region.

3. Land Held for Future Development

($000's)	1999	1998
Land and carrying costs	42,132	39,806
Pre development costs	7,676	8,457
	49,808	48,263

During the year, the Company purchased $4,955,000 of land (1998 - $10,497,000) and received financing of $3,860,000 (1998 - $7,304,000) primarily in the form of vendor financing.

4. Capital Assets

($000's)	1999			1998		
	Cost	Accum. Depn.	Net Book Value	Cost	Accum. Depn.	Net Book Value
Commercial Properties	20,781	(3,236)	17,545	17,238	(2,958)	14,280
Manufactured home community and related assets	3,347	(167)	3,180	3,347	(124)	3,223
Golf courses and related assets	4,938	(2,015)	2,923	4,801	(1,825)	2,976
Other buildings and equipment	47	(23)	24	319	(23)	296
Computerware and furniture	1,055	(754)	301	940	(697)	243
	30,168	(6,195)	23,973	26,645	(5,627)	21,018
Sundry assets including tenant leasing costs			1,387			1,404
			25,360			22,422

5. Bank Term Loan

The bank term loan was secured by specific agreements receivable and specific lot inventory. It was repayable with installments of $100,000 per month plus interest at prime plus 1.5%. During the year, the bank term loan was fully repaid.

6. Debt on Land Under Development

Debt on land under development consists of project loans at prime plus 1% (7.50% at December 31, 1999) which mature in 2000. Specific real estate, promissory notes, insurance proceeds, a general assignment of agreements receivable and specific development agreements have been pledged as collateral for this debt.

Subsequent to the year end, the Company finalized an agreement with a major chartered bank which will replace conventional project financing with a $28,500,000 credit facility that will be secured by specific agreements receivable and specific lot inventory. This credit facility may be terminated by the bank with one year's notice. The facility limits can be modified to meet the Company's needs.

7. Debt on Land Held for Future Development

($000's)	1999	1998
Agreements payable with interest at the following rates:		
Fixed rates of 4% to 7%	9,588	8,280
Variable rates of prime plus 1% to 1.5% (7.50% - 8.0% at December 31, 1999)	2,253	3,691
	11,841	11,971
Accrued interest	287	366
	12,128	12,337

Specific land held for future development in the amount of $19,338,000 (1998 - $19,592,000) has been pledged as collateral for this debt. The current weighted average interest rate, based on year end balances, is 6.6% (1998 - 6.8%). The agreements mature in 2000 to 2009 and the minimum principal payments due within each of the next five years are as follows:

2000	$ 3,661,000
2001	2,334,000
2002	1,769,000
2003	1,815,000
2004	721,000

Principal payments in excess of the amounts due may be made in order to obtain title, if title is required to initiate development of the land.

8. Debt on Capital Assets

($000's)	1999	1998
Mortgages amortized over 14 to 20 years at rates varying from prime plus 1% to prime plus 2%	**3,261**	906
Mortgages amortized over 2 to 15 years at fixed rates varying from 6.825% to 10.375%	**11,267**	12,410
	14,528	13,316

Specific real estate with a net book value of $21,340,000 (1998 - $18,510,000), assignment of applicable rents and insurance proceeds have been pledged as collateral for the above debt. The weighted average interest rate at December 31, 1999, based on year end balances, is 8.1% (1998 - 8.9%).

Principal payments due within each of the next five years, assuming renewal at similar terms, are as follows:

2000	$ 1,497,000
2001	994,000
2002	723,000
2003	782,000
2004	844,000

9. Future Income Taxes

($000's)	1999	1998
Capital asset book values in excess of tax values	**4,096**	3,961
Reserve on mortgages due in subsequent years	**5,006**	5,479
Interest and other soft costs deducted for tax purposes	**1,391**	1,584
Other	**104**	109
	10,597	11,133

The timing of payment of future income taxes is dependent upon the timing of development and sale of the related assets and on the timing of the receipt of cash relating to agreements receivable.

Income tax installments paid during the year were $9,253,000 (1998-$5,421,000).

10. Share Capital

AUTHORIZED

10,000,000 Common Shares

5,000,000 First Preferred Shares, non-voting, issued in series

ISSUED AND FULLY PAID

3,104,303 Common Shares

During the year, 29,700 (1998 - 49,200) common shares were purchased by the Company pursuant to the Normal Course Issuer Bid Circular which expires September 14, 2000.

11. Interest Expense

($000's)	1999	1998
Interest on bank term loan	**32**	280
Interest on debt - land	**1,733**	1,412
Interest on debt - capital assets	**1,144**	1,138
	2,909	2,830
Less interest capitalized	**(1,633)**	(1,345)
	1,276	1,485

Cumulative interest capitalized at the end of the year is $5,080,000 (1998 - $4,611,000).
Interest paid during the year was $2,998,000 (1998 - $2,586,000).

12. Interest Rate Risk

The company's debt consists of loans that are subject to interest rate fluctuations. For each 1% change in the rate of interest on loans subject to floating rates, the change in annual interest expense is approximately $201,000 (1998 - $192,000) based upon year-end loan balances. This amount is partially offset by the interest earned on agreements receivable which is also subject to interest rate fluctuations.

13. Joint Ventures

					CASH FLOWS FROM (USED IN)		
(000's)	Assets	Liabilities	Revenue	Expenses	Operating Activities	Investing Activities	Financing Activities
1999	**28,719**	**14,180**	**10,627**	**7,568**	**2,459**	**(2,586)**	**634**
1998	26,052	13,692	13,467	9,544	899	(570)	(97)

The above include the Company's proportionate share of the assets, liabilities, revenue, expenses and cash flow information of eight joint ventures which are proportionately consolidated in these financial statements.

14. Segmented Information

Since the Company is involved in several activities, the financial information supplied in aggregate terms does not provide sufficient information to enable an understanding of the contribution of each activity to the Company as a whole.

The Company's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different management skills and marketing strategies. The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Company evaluates performance based on profit or loss from operations before income taxes not including foreign exchange gains and losses.

In the following schedules, earnings from operations before income tax expense has been calculated for each segment by deducting from revenues of the segment, all direct costs and administrative expenses which can be specifically attributed to the segment as this is the basis for measurement of segment performance. Common costs, which have not been allocated, are the costs of corporate debt and general corporate expenses. The allocation of these costs on an arbitrary basis to the segments would not assist in the evaluation of the segments' contributions.

Intersegment transactions are entered into under terms and conditions similar to those with unrelated third parties. Any intersegment sales and the unrealized profits therefrom have been eliminated.

Community Development

Land Development Division

This division is responsible for purchasing and developing land to be sold as residential and commercial lots.

Investment / Recreation Property

Investment Property Division

The company owns 11 rental properties and a 50% interest in a 308 unit manufactured home community which it holds to earn rental income.

Recreation Property Division

The company owns and manages two 18 hole golf course operations (one of which is 60% owned).

($000's)		1999		1998
OPERATING SEGMENTS	Revenue	Earnings	Revenue	Earnings
Community Development	42,871	14,651	51,053	16,994
Investment Property	4,123	331	5,592	906
Recreation Property	2,509	290	2,493	343
Corporate interest	431	431	675	675
Intersegment eliminations	(1,713)	(691)	(815)	(51)
	48,221	15,012	58,998	18,867
Common costs		(900)		(1,411)
Earnings before income tax expense		14,112		17,456
Income tax expense		(6,345)		(7,797)
Net earnings for the year		7,767		9,659

	Depreciation and amortization		Capital expenditures		Total carrying value of identifiable assets	
($000's)	1999	1998	1999	1998	1999	1998
Community Development	1	2	–	–	117,320	117,269
Investment Property	489	412	3,543	–	23,286	20,562
Recreation Property	273	255	237	322	3,084	3,095
Corporate / Common	66	61	49	240	9,660	12,664
	829	730	3829	562	153,350	153,590

15. Year 2000

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been fully resolved.

16. Fair Value of Financial Instruments

The Company believes that the fair value of financial instruments approximates their carrying values.

17. Definitions for Statements of Cash Flows

Development activities is defined as the net of land held for future development before purchases of land, land under development and provision for land development costs.

Change in other operating assets and liabilities is defined as the net of accounts receivable, other sundry assets, current income taxes payable and accounts payable and accrued liabilities.

18. Comparative Figures

Where applicable, the comparative figures have been reclassified to conform to the current year's financial statement presentation.

Management's Responsibility for Financial Reporting & Auditors' Report

Management's Responsibility for Financial Reporting

The Annual Report, including the consolidated financial statements, is the responsibility of the management of the Company. The financial statements have been prepared in accordance with the recommendations of the Canadian Institute of Chartered Accountants and the Canadian Institute of Public Real Estate Companies in all material respects. Financial information contained elsewhere in this Report is consistent with the information contained in the financial statements.

Management maintains a system of internal controls which provides reasonable assurance that the assets of the Company, its subsidiaries and joint ventures are safeguarded and which facilitates the preparation of relevant, timely and reliable financial information which reflects, where necessary, management's best estimates and judgements based on informed knowledge of the facts.

The board of directors is responsible for ensuring that management fulfills its responsibilities and for final approval of the consolidated financial statements. The board has appointed an audit committee comprising three unrelated and independent directors to approve, monitor, evaluate, advise or make recommendations on matters affecting the external audit, the financial reporting and the accounting controls, policies and practices of the Company under its terms of reference.

The audit committee meets at least four times per year with management and with the independent auditors to satisfy itself that they are properly discharging their responsibilities. The consolidated financial statements and the management discussion and analysis have been reviewed by the audit committee and approved by the board of directors of Melcor Developments Ltd.

PricewaterhouseCoopers LLP, independent external auditors appointed by the shareholders, have examined the consolidated financial statements and have read Management's Discussion and Analysis.

Auditors' Report

To the Shareholders of Melcor Developments Ltd.

We have audited the consolidated balance sheets of Melcor Developments Ltd. as at December 31, 1999 and 1998 and the consolidated statements of earnings and retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1999 and 1998 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants
Edmonton Alberta
February 25, 2000

Land and Property Holdings

Land Inventory

	Developed Land			Land Held for Future Development		
	Residential Lots	Residential Acres	Commercial Industrial Acres	Preliminary Approval or Zoned	Raw	Total Acres
NORTHERN ALBERTA						
Edmonton	229	4	4	476	66	542
Spruce Grove	79	2	20	183	972	1,155
Leduc	23	–	–	235	148	383
County of Strathcona	40	–	–	36	85	121
County of Parkland	–	–	–	–	–	–
SOUTHERN ALBERTA						
Calgary	214	10	6	302	876	1,178
M.D. Rockyview/Airdrie	44	4	–	45	164	209
Chestermere	24	–	–	66	–	66
Lethbridge	59	–	–	283	–	283
CENTRAL ALBERTA						
Red Deer	148	–	–	270	73	343
ARIZONA						
Phoenix	–	–	–	5	–	5
Tucson	7	–	–	231	–	231
DECEMBER 31, 1999	**867**	**20**	**30**	**2,132**	**2,384**	**4,516**
DECEMBER 31, 1998	**829**	**36**	**16**	**2,196**	**2,058**	**4,254**

Investment Property

Building Location / Name	Year Acquired	Rental Area (sq. ft.)	% Leased
OFFICE AND MULTI USE			
EDMONTON, AB			
Melton Building	1973	112,900	75
Westcor Building	1978	72,985	80
Princeton Place	1999	58,585	68
Melcor Industrial Building	1994	63,790	67
Lee Valley Centre	1995	20,520	100
Capilano Centre (*)	1999	98,271	87
CALGARY, AB			
Kensington Road Building	1980	23,850	93
REGINA, SK			
Alberta Street Building	1979	6,100	66
		457,001	
RETAIL CENTRES			
LEDUC, AB			
Corinthia Park	1975	1,187	180
REGINA, SK			
University Park	1981	41,194	90
		53,065	
		510,066	

Other Property

LAND LEASE

CALGARY, AB
One acre lot developed in 1999

MANUFACTURED HOME COMMUNITY

CALGARY, AB
Watergrove (*) (308 units / 100% leased)

UNDEVELOPED SITES

EDMONTON, AB
Multi use (115,000 sq. ft.)

CALGARY, AB
Office or residential tower (24, 000 sq. ft.)

Note:
(*) 50% owned

Five Year Review

Balance Sheet ($000s)	1999	1998	1997	1996	1995
Assets					
Cash and cash equivalents	**8,404**	11,544	12,080	1,905	3,299
Accounts receivable	**1,761**	3,140	3,692	2,001	1,632
Agreements receivable	**30,574**	32,934	21,850	18,404	11,002
Land under development	**37,443**	35,287	25,426	29,875	36,511
Land held for future development	**49,808**	48,263	43,271	37,778	39,040
Capital assets	**25,360**	22,422	21,723	21,266	21,760
	153,350	153,590	128,042	111,229	113,244
Liabilities and Shareholders' Equity					
Accounts payable and accrued liabilities	**7,109**	6,503	6,635	3,231	2,753
Current income taxes payable	**–**	2,434	999	969	1,008
Bank term loan	**–**	1,900	3,000	896	3,043
Provision for land development costs	**9,588**	12,285	5,338	6,110	7,189
Debt on land under development	**13,823**	12,719	6,279	6,507	6,229
Debt on land held for future development	**12,128**	12,337	7,902	3,858	5,707
Debt on capital assets	**14,528**	13,316	14,178	14,359	14,194
Future income taxes	**10,597**	11,133	10,212	7,963	8,388
Share capital	**6,712**	6,777	6,883	7,028	7,017
Retained earnings	**78,865**	74,186	66,616	60,308	57,716
	153,350	153,590	128,042	111,229	113,244

Statement of Earnings ($000s)	1999	1998	1997	1996	1995
Revenue	**46,563**	57,661	50,589	33,964	21,928
Cost of sales	**(27,782)**	(34,666)	(29,785)	(22,096)	(12,306)
	18,781	22,995	20,804	11,868	9,622
Interest revenue	**1,658**	1,337	621	620	749
Interest expense	**(1,276)**	(1,485)	(1,420)	(1,551)	(1,559)
General and administrative expenses	**(5,051)**	(5,391)	(4,643)	(3,700)	(4,245)
Earnings from operations	**14,112**	17,456	15,362	7,237	4,567
Asset valuation adjustment	**–**	–	–	(430)	–
Earnings before income tax expense	**14,112**	17,456	15,362	6,807	4,567
Income tax expense	**(6,345)**	(7,797)	(6,860)	(2,953)	(2,173)
Net earnings for the year	**7,767**	9,659	8,502	3,854	2,394

Statistical ($)		1999	1998	1997	1996	1995
Earnings per share	- basic	**2.50**	3.05	2.64	1.20	0.74
	- fully diluted	**2.50**	3.05	2.64	1.19	0.74
Cash flow per share	- basic	**2.58**	3.55	3.54	1.41	0.76
	- fully diluted	**2.58**	3.55	3.54	1.40	0.75
Number of shares	- year end (000s)	**3,104**	3,134	3,183	3,215	3,204
Shareholders equity	- per share	**27.57**	25.83	23.09	20.94	20.20
	- total ($000s)	**85,577**	80,963	73,499	67,336	64,733
Dividends	- per share	**.70**	.60	0.50	0.40	0.30
Share price range		**16.05-19.75**	15.50-21.50	14.05-18.00	10.00-14.90	9.25-11.00

Segmented
Operating Review

($000s)	1999	1998	1997	1996	1995
Community Development Division					
Revenue	**41,582**	50,279	43,432	23,645	15,786
Cost of sales	**(25,308)**	(31,178)	(26,775)	(16,355)	(9,529)
	16,274	19,101	16,657	7,290	6,257
Interest revenue	**1,289**	774	347	278	599
Interest expense	**(100)**	(148)	(222)	(223)	(338)
	17,463	19,727	16,782	7,345	6,518
Administrative expenses	**(2,812)**	(2,733)	(2,610)	(1,755)	(1,965)
Earnings	**14,651**	16,994	14,172	5,590	4,553

Investment Property Division					
Rental operations	**4,123**	3,955	3,954	3,998	3,477
Land sales	**–**	1,617	2,267	5,454	1,122
Total operating revenue	**4,123**	5,572	6,221	9,452	4,599
Operating expenses	**(2,065)**	(1,722)	(1,364)	(1,821)	(1,623)
Interest expense	**(1,077)**	(1,139)	(1,242)	(1,254)	(1,076)
Cost of land sales	**–**	(1,176)	(1,576)	(4,986)	(785)
Total operating costs	**(3,142)**	(4,037)	(4,182)	(8,061)	(3,484)
Earnings from operations	**981**	1,535	2,039	1,391	1,115
Administrative expenses	**(161)**	(218)	(157)	(203)	(202)
Depreciation	**(489)**	(411)	(411)	(397)	(382)
Asset valuation adjustment	**–**	–	–	(430)	–
	(650)	(629)	(568)	(1,030)	(584)
Earnings	**331**	906	1,471	361	531

Golf Courses					
Revenue	**2,509**	2,493	1,317	1,297	1,382
Operating Costs	**(1,347)**	(1,274)	(783)	(779)	(840)
	1,162	1,219	534	518	542
Interest expense	**(127)**	(156)	(93)	(117)	(166)
Administrative expenses	**(472)**	(464)	(199)	(174)	(159)
Depreciation	**(273)**	(256)	(151)	(137)	(150)
Earnings	**290**	343	91	90	67

Corporate
Information

Directors

William D. Grace (1) (2)
Corporate Director
Edmonton, Alberta

W. Garry Holmes
Corporate Director
Edmonton, Alberta

Lou D. Hyndman, Q.C. (1) (2)
Partner
Field Atkinson Perraton,
Barristers & Solicitors
Edmonton, Alberta

Andrew J. Melton
Partner
Avison Young Commercial
Real Estate
Calgary, Alberta

Timothy C. Melton
Executive Chairman
Melcor Developments Ltd.
Edmonton, Alberta

Bruce Saville
Founder and Chairman Emeritus
of Saville Systems PLC
Edmonton, Alberta

Robert Stollery (1) (2)
Corporate Director
Edmonton, Alberta

Ralph B. Young
President & Chief Executive Officer
Melcor Developments Ltd.
Edmonton, Alberta

Committees

(1) Audit
(2) Corporate Governance & Compensation
(3) Management

Corporate Office

900, 10310 - Jasper Avenue
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(780) 423-6931
general@melcor.ca
www.melcor.ca

Officers

Timothy C. Melton (3)
Executive Chairman

Ralph B. Young (3)
President & Chief Executive Officer

Michael D. Shabada (3)
Vice-President, Finance & Secretary

Brett A. Halford (3)
Vice-President, Administration

Community Development

EDMONTON REGION
900, 10310 - Jasper Avenue T5J 1Y8
(780) 423-6931
W. Peter Daly
Vice-President

CALGARY REGION
205, 1422 Kensington Road N.W.
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David J. Poppitt
Vice-President

RED DEER
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Guy A. Pelletier
Regional Manager

LETHBRIDGE
300, 515 - 7th Street South T1J 2G8
(403) 328-0475
Neil Johnson
Regional Manager

Investment Property

COMMERCIAL PROPERTY
900, 10310 - Jasper Avenue
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(780) 423-6931
Ian D. MacLeod
Manager

WATERGROVE MANUFACTURED HOME COMMUNITY
400, 99 Arbour Lake Road
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Doug G. Alton
Manager

Golf Courses

THE LINKS AT SPRUCE GROVE
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(780) 962-4653
Pierre M. Beauchemin
Pro / Manager

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Other Information

Share Transfer Agent, CIBC Mellon Trust Company, Calgary & Toronto
Stock Exchange Listing, The Toronto Stock Exchange (Stock symbol: **MRD**)
Auditors, PricewaterhouseCoopers LLP, Chartered Accountants, Edmonton

MELCOR